

# LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

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**DATE:** AUGUST 5, 2005

**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer

**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT: Agenda Item #9: Consideration of Amendment to San Bernardino LAFCO Benefits Plan**

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## **RECOMMENDATION:**

That the Commission:

1. Adopt LAFCO Resolution No. 2891 amending the San Bernardino LAFCO Benefits Plan to reflect the recently amended County Exempt Compensation Plan benefit changes; and,
2. Direct the Executive Officer to provide copies of Resolution No. 2891 to the County Auditor/Controller-Recorder and Manager of the County of San Bernardino's Employee Management and Compensation System (EMACS) for implementation of the changes effective the same date as the County changes.

## **BACKGROUND:**

The Commission adopted its Benefits Plan on September 15, 2004, specifying in Section 101 that it contracts with the County of San Bernardino to administer the benefits for LAFCO employees "equivalent to those provided to County "Exempt" employees." On July 19, 2005 the County amended its Benefits Plan for Exempt employees modifying several categories, adding two new items, and providing for a three-year term. Pursuant to the Benefits Plan, these changes will also apply to LAFCO employees and we have provided an outline of the changes for the Commission. The changes are summarized as follows:

1. There is established a Medical and Dental Subsidy program to be phased in over the three years of the Compensation Plan. In the first year, a

medical plan subsidy is provided only to those employees who cover themselves and two dependents; the second year it provides for coverage to begin for those employees who cover themselves and one dependent. The dental subsidy plan will take effect the third year of the plan.

2. There are changes in the Medical and Dental Insurance Programs which effect new employees, those entering after July 9, 2005, or current employees choosing to opt-out of the health plan coverage or waive that coverage through coverage by another employee within the plan after July 9, 2005. In these cases, their benefit plan will be reduced to \$40 per pay period for a scheduled duty of more than 61 hours, rather than the current benefit of \$161.54 per pay period.
3. Flexible Spending Account for Health Expenses has been changed to allow for employees to choose a contribution of \$10 to \$100 per pay period and the increase of the Commission's contribution up to \$20 to match the employee's contribution. This is an increase of \$10 in the matching coverage amount.
4. Effective June 25, 2005, a bi-weekly contribution to the offered 401K plan of three and one-half (3½) percent will be matched by a Commission contribution of two times, not to exceed seven (7) percent. This is an increase of one (1) percent over the previous plan benefit. Effective June 24, 2006, a bi-weekly contribution to the offered 401K plan of four (4) percent will be matched by a Commission contribution of two times, not to exceed eight (8) percent.
5. Additional retirement contributions to employees shall be adjusted as follows: Group A (Executive Officer) shall receive two hundred thirteen dollars and sixty-nine cents (\$213.69) and Group B (all other employees) shall receive one hundred thirty-seven dollars and fifty four cents (\$137.54) per bi-weekly pay period. This is an increase of \$84.46 for Group A and \$54.46 for Group B employees.
6. The Health Lifestyle Program has increased reimbursement for health club membership to \$324 per year. This is an increase of \$36 over the prior benefit.

The estimated cost for these increases for Fiscal Year 2005-06 is \$12,500. This increase in cost can be accommodated by the current appropriations within the 1000 Series. The staff recommends that the Commission take the actions identified to allow the Auditor/Controller-Recorder and EMACS Manager to make the payments to LAFCO employees commensurate with the direction of the adopted Benefits Plan.

KRM/

Attachments:

1. Draft Resolution No. 2981
2. Draft LAFCO Benefits Plan